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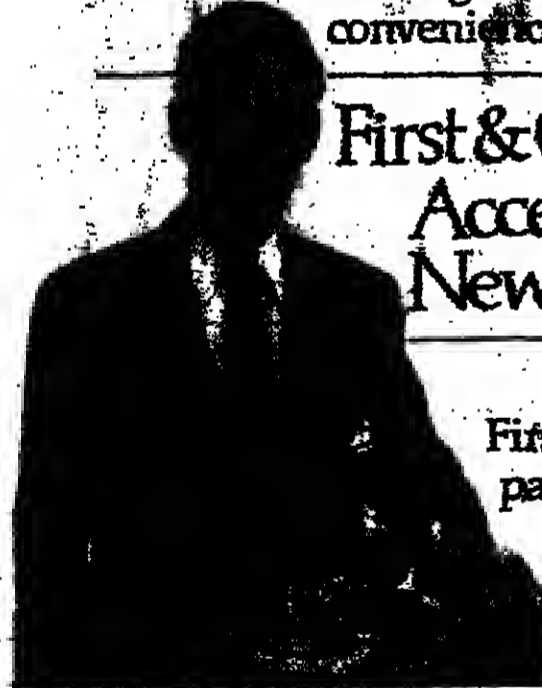
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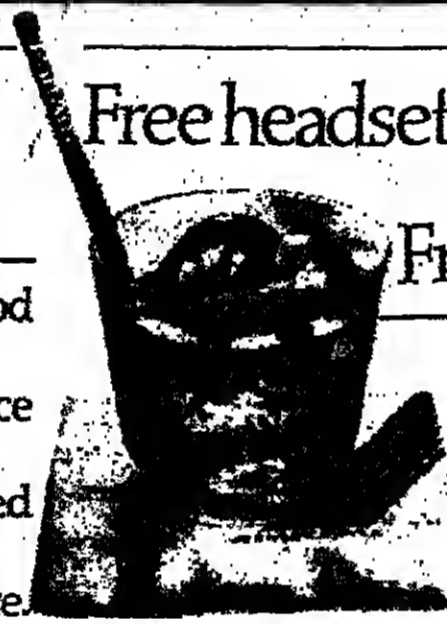
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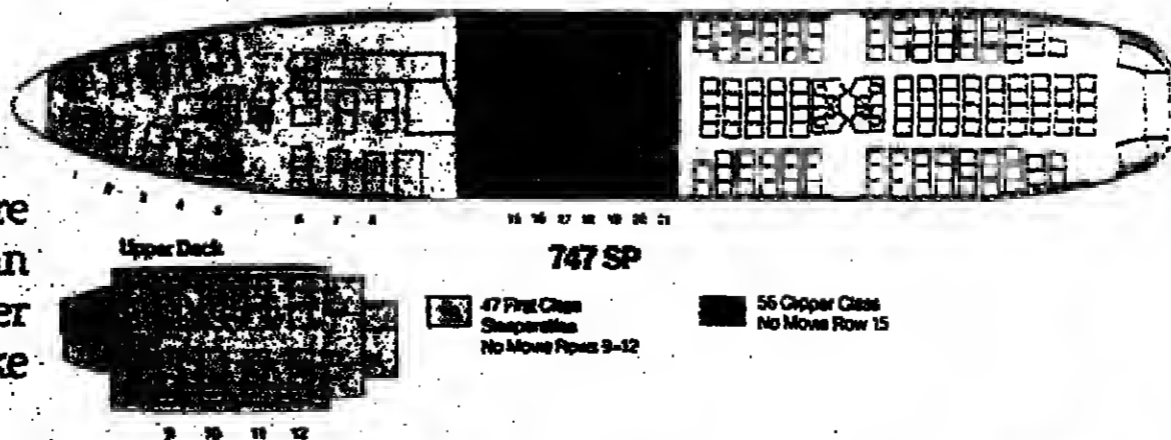
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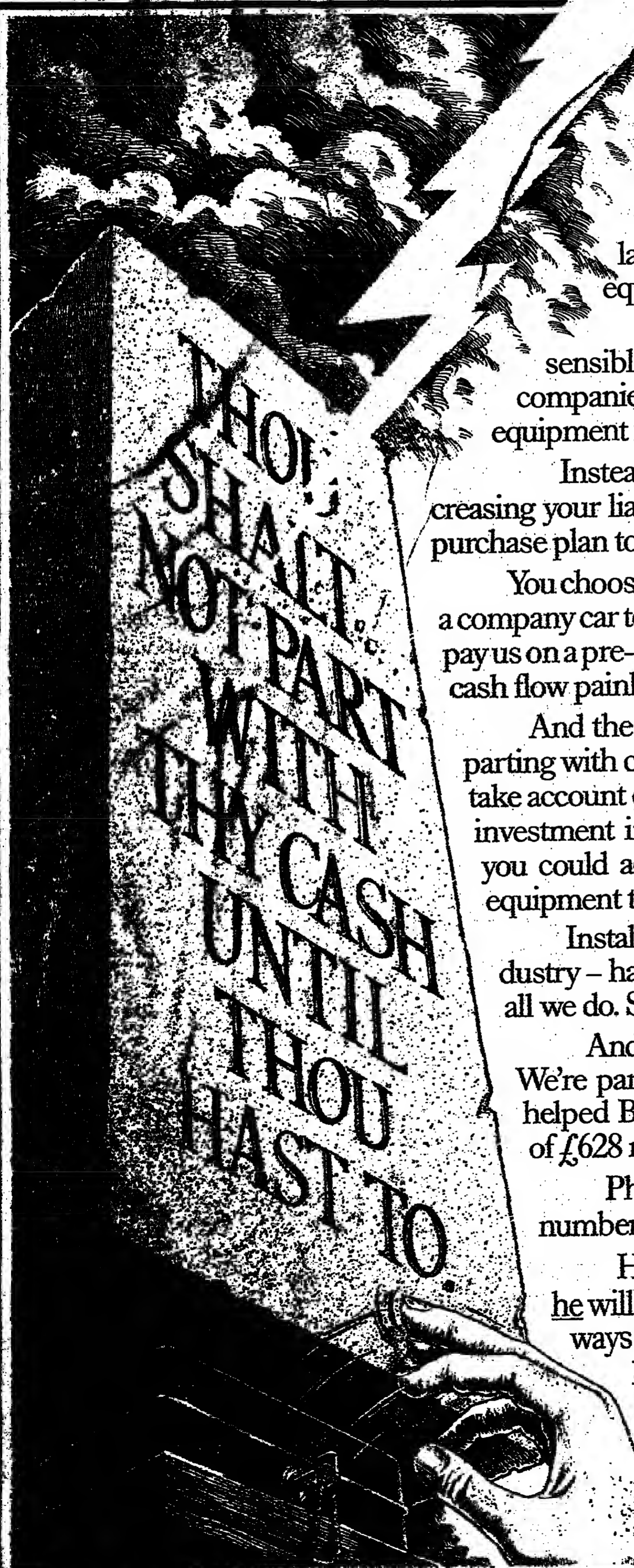
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SPECTRUM

On Yorkshire's famous moorland, Anne Haigh (left) is a member of a band of amateur archaeologists

whose findings may rewrite the history of Europe's Bronze Age

Stones that speak on Ilkley Moor

By Stan Abbott

For eight years Anne Haigh has meticulously scoured the 150,000 wild, wet, windy acres that are Ilkley Moor in search of the curious cup-and-ring marked stones that litter this peat and heather wasteland in West Yorkshire.

evidence of hut circles on the moor being not in the Iron Age (about 600BC) as originally thought but to a much earlier Bronze Age.



Bill Gregory draws up a grid of an uncovered cairn: "People haven't been prepared to slog it out in the snowstorms to find the evidence."

"If you look at the average textbook distribution map of prehistoric Britain you find the highland areas are rather sparse," Godfrey says.

he Ilkley group's work had its beginning in adult education classes in 1975 and over the next few years the members set about training themselves in the skills of archaeology, such as fieldwork and surveying.

But it took visits from such distinguished prehistorians as Dr Andrew Fleming of Sheffield University, Peter Fowler, secretary of the Royal Commission on Historic Monuments and President of the Council of British Archaeology, and Professor Emmanuel Anati of the University of Lecca in southern Italy to spur the council's decision to allow work to start.

On the Monday following the conference Professor Anati was due to fly home via London, but the group managed to persuade him it was worth his while breaking his journey at Ilkley. They duly rebooked his flight via Leeds/Bradford airport, whose approach path passes over Ilkley Moor, to allow a four-hour visit to the site.

weeks before soil analyses are complete. In any event, the development of the highland settlements chiefly found also in Dartmoor, the Peak District, North York moors, Northumberland, Galloway, along the Great Glen, Orkney, Shetland, south west Ireland and Brittany, seems to have taken a substantially different course from those in the lowlands.

It is easy to sneer at romantic fiction. Its image is both saccharine and cynical, the heroine disappearing into the reddening sunset wrapped in a very carefully designed cloak of glamour.

Barbara Taylor Bradford, whose first story went for half a guinea, has just accepted an advance of \$8m for her next three novels

The storyteller of substance



Emotions, says the novelist, speak louder than biology

Not only has her first novel, A Woman of Substance, sold more than seven million copies since it was published in 1979, but her three English-language publishers are so confident of her success that they have agreed to pay her more than \$8m for her next three novels.

me - you must finish Voice of the Heart. She finished it, she says, to keep grief at bay.

A passing fuss was caused the other day by a new book of riddles edited by Kevin Crossley-Holland, which contained two jokes about Lord Mountbatten in the worst possible taste.

Without the boundaries of good taste

MOREOVER... Miles Kington

wheelchair themselves in the race itself. Organiser Chris Brasher quite rightly pointed out that a running race is a running race is a running race, and that the last thing runners want is to find themselves falling over wheelchairs.

CONCISE CROSSWORD (No 32)

A crossword puzzle grid with numbered squares and a list of clues for both across and down words.

Handwritten Arabic text at the bottom of the page.

THE TIMES DIARY

New leaf

The first publishing houses to reject the new package of terms for writers drawn up by the Society of Authors and the Writers' Guild are Jonathan Cape and Bodley Head...

Tables turned

It was a scandal of the recent Bafta awards that no sooner were they presented than three of the heavy bronze prizes were stolen...

A common sight on lapsels of the Barbican's Mostly Mozart Festival is a stage declaring: 'I'm with the Wolfgang.'

Out of sight

Sir Lawrence Gowing, whose retrospective exhibition at the Arts Council's Serpentine Gallery is to visit Newcastle, Hull and Plymouth later this year...

Just in case you think our misprints have no rivals, how is this from the Country Life review of Slegfried Sassoon's war diaries?

London love

Americans are incurably romantic. Yesterday John Bryson, award-winning photographer for The Sunday Times, married Nancy Guild...

Black power

I must have underestimated the pulling power of Channel 4. Its sub-black situation comedy series, No Problem, has made folk heroes of the three stars...

Capitalism resurgent; the former Communist Party headquarters in King Street, Covent Garden, is being converted to come a branch of the Midland Bank.

Part Stanley football fans are playing an unwanted busy list of fixtures in patriotic red, white and blue strip supplied by a Midlands firm.

Anthony Bevins examines the figures in Foot's 12-point plan

How will Labour get out of this pension muddle?



Michael Foot: his plan would cost £3,000m a year



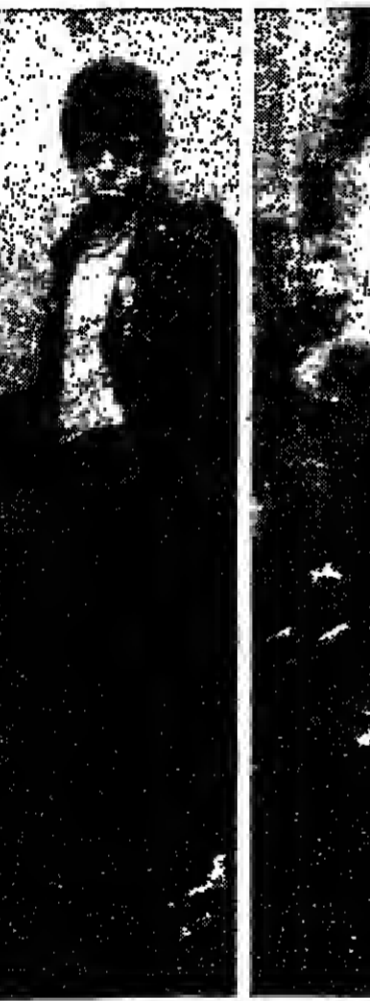
Peter Shore: only £500m left for pension increases

When Mr Michael Foot revealed Labour's 12-point plan for pensioners last month, a pledge that nine million voters would be given their rightful share in the country's future prosperity...

Assuming that Mr Foot defends the jewel, Mr Fowler has done a public service in providing official figures which indicate the areas of Labour economy...



Polish punks: drugs, drink and the black market provide an escape for thousands of young people whose only expectation is a constant call for further sacrifice



Polish punks: drugs, drink and the black market provide an escape for thousands of young people whose only expectation is a constant call for further sacrifice



Polish punks: drugs, drink and the black market provide an escape for thousands of young people whose only expectation is a constant call for further sacrifice

Battle for a drop-out generation

Warsaw Backstage at Warsaw's seedy Remont Club a teenage gargoyle uses a toothbrush to apply green colouring to his hair while croaking the lyrics of Odnowa (Renewal)...

Roger Boyes reports on the campaigns by church and state for the minds of Polish youth, who look for a better life after Solidarity

teachings when it comes to divorce and abortion. The battle for this uncommitted generation is not the usual shadow warfare associated with party struggle or the self-assertion of the church.

Both the Communist Party and the Catholic Church are preaching in the vocabulary of sacrifice. General Jaruzelski calls for economic sacrifice, for young people to be patient, to work hard ideologically and physically to restore and rebuild Poland.

Block votes behind the banners

At first sight, it seems totally improbable that a future Labour government would ever unilaterally abandon Britain's nuclear deterrent...

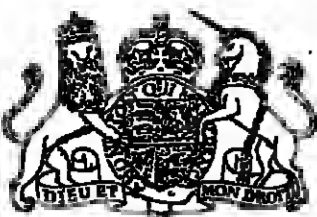
The constituency Labour parties are also strongly committed to unilateralism. This has been reflected in their choice of new parliamentary candidates in safe and marginal seats...

Peter Hennessy

In case of doomsday, the Otto option

One of the comforting things about burying oneself in the files of the Public Record Office and seeing a Rolls-Royce civil service car work its way through the detailed contingency planning that used to go on to keep Britain through a variety of disasters...

had then. A lot of instruments were ruled out. Interest rates were not used until 1951 to defend against an attack on sterling...



COURT AND SOCIAL

COURT CIRCULAR

WINDSOR CASTLE April 5: By command of The Queen the Lord Somerleyton (Lord in Waiting) called upon The Sultan of Oman in London this afternoon and on behalf of Her Majesty, welcomed His Majesty on his arrival in this country. Lady Abel Smith has succeeded Mrs John Dugdale as Lady in Waiting to the Queen.

The Queen and the Duke of Edinburgh will attend a service for the Order of the Garter in St George's Chapel, Windsor, on June 13. Lord Frederick Windsor, son of Prince and Princess Michael of Kent, is four today. Princess Alexandra will be present at a reception held at the Intercontinental Hotel, London, on June 6 in aid of the British-American Arts Association, on the occasion of the "Road Street Salutes Fifth Avenue" celebration to mark the twinning of the two streets.

Dean's Yard, Westminster Abbey, London SW1P 3PA, enclosing a stamped addressed envelope, by not later than Friday, May 20. Tickets will be posted on Friday, May 27. A memorial service for Mr Lanning Roper will be held on Thursday, April 21, at noon at St Mary's church, Paddington Green, W2. Birthdays today Miss Joan Carville, 52; Mr Bernard Carter, 63; the Right Rev Dr L. M. Charles-Edwards, 81; Admiral Sir Desmond Dreyer, 75; Mr Julian Faber, 66; Mr Willis Hall, 54; Vice-Admiral Sir Charles Hughes Halliday, 85; Dr David Ingram, 59; Sir Philip Moore, 62; Miss Felicity Palmer, 39; Lord Newton, 68; the Duke of Northumberland, 69; the Rev Ian Paisley, MP, 57; Mr Andrew Previn, 54; Lord Winterbottom, 76; the Most Rev Dr Frank Woods, 76.

Latest appointments Latest appointments include: Mr William Lockwood, aged 44, until recently in charge of the oriental department in Cambridge University Library, to be director of the Chester Beatty Library and Gallery of Oriental Art in succession to Dr Patrick Henchy. Mr David Walne, aged 38, BBC South-west television manager, to be head of BBC network production centre, Pebble Mill.

St Ronan's School St Ronan's School, Hawhurst, Kent, founded at Worthing, celebrates its centenary on July 16 and looks forward to seeing old boys and friends from 11 o'clock.

Moira House The following Ingham Scholarship Awards for 1983 have been announced: Sarah Catherine Katherine Susan, Ursula, Alan, Brian, Philip, Michael, John, Christopher, Madeline, Nicholas, James, Jonathan, Robert, Thomas, William, Andrew, Amanda, Leahwood, Moira House, Jacqueline, Priscilla, Moira House.

Church news Appointments Church in Wales Diocese of Bangor The Rev Canon Robert Roberts, Director of Theological Studies, to be Archdeacon of Merioneth. The Rev Canon Robert Roberts, Director of Theological Studies, to be Archdeacon of Merioneth. The Rev Canon Robert Roberts, Director of Theological Studies, to be Archdeacon of Merioneth.



Into gear: Kevin Knight, Matthew Kenny, Gerald May and Derek Palmer being cheered by Ken Potter as they all registered in Covent Garden yesterday for the Brighton Bike Ride on June 26. They will be raising funds for the British Heart Foundation. (Photograph: Harry Kerr)

OBITUARY PROFESSOR H. H. SCULLARD Distinguished ancient historian

Professor Howard Hayes Scullard, the distinguished ancient historian, died in London on March 31 at the age of 80. He was born in Bedford on February 9, 1903, the only son of Herbert H. Scullard, then a Congregational minister in that town. When he was about four, his father moved to become Professor at New College, London, a training college for Congregational ministers, and the family settled in Hendon. Scullard went to Highgate School and St John's College, Cambridge, where he obtained a first in Part II of the Classical Tripos in 1926 and the Thirlwall Prize.

in which he had his text books constantly brought up to date. It was typical of Scullard that opt of *plebs* he preferred to revise M. Cary's *History of Rome* (1975) and only partly rewrite it rather than publish his own entirely new version (which might have been thought preferable). With these various works, constantly revised and reliably and fully annotated (and they are by no means all), Scullard made a name in wider circles than universities. More important, he did a remarkable service to the subject which few others would have had the energy or the persistence to emulate.

Rerieved Quantock ponies return

The first of the Quantock ponies yesterday returned to run free on the Somerset hills near Taunton. A herd of more than 60 wild ponies has grazed the Quantock uplands from the beginning of April for the past 60 summers, but this year most of the herd was slaughtered with slaughter at a cost of £56,000 fencing plan was on the point of being shelved through lack of money.

Action against farm gangmasters urged

Farmworkers' leaders are to urge the Government to take action to curb the activities of gangmasters who hire seasonal workers for farmers. Miss Joan Maynard, Labour MP for Sheffield, Brightside, who is sponsored by the agricultural workers' union, said yesterday: "Any unscrupulous person can set up as a gangmaster, with high unemployment he is able to intimidate members of the work force, who desperately need to bring some form of income into the home."

Plastic ice rink saves day for skaters

Ice-skating amateurs with championship aspirations took their first hesitant slides into the plastic rink yesterday - on a portable sports rink. Overwhelmed with demands for an ice rink after the recent world championship success of Jayne Torvill and Christopher Dean, Bolton Metropolitan Borough Council turned to a novel "mock ice" solution.

Britain in Bloom in urgent need of sponsor

The annual Britain in Bloom campaign could be in danger of being abandoned unless a commercial sponsor can be found, the British Tourist Authority (BTA) said yesterday. Mr Kevin Moloney, of the BTA, said the authority was appealing for a donation of about £12,000 to cover its part in organizing the national and international competitions that in recent years have attracted 500 entries and won Britain six prizes in the finals of the European Entente Florale.

Homeless will test solar-heated houses

Two homeless families will help to pioneer an advanced solar heating system. They will move into new four-bedroom houses at Peterborough, which have been equipped with computer-controlled solar panels fitted to the roof and walls. Scientists will monitor the domestic trial of the equipment for 12 months. The two families will be chosen by Peterborough Development Corporation from its housing waiting list. The experiment is being funded by an EEC agency.

£11,340 for dinner service

Christie's sale of English and nineteenth-century European ceramics yesterday included a Royal Copenhagen *flora danica* part dinner set, estimated at £11,340 (estimate £5,000 to £8,000). It is painted in colours with specimen flower-sprays named on the reverse. The set, totalling £154,197, with 15 per cent unsold, the biggest contributor being a previously unrecorded Bristol figure, of 1790, of Lu Luig-ping, the bearded Chinese immortal, from Benjamin Lund's factory, which failed to find a buyer at £9,500.

MR GEORGE SCHWARTZ

Mr George Schwartz, who died on April 2 at the age of 92, was an economist and journalist who wrote for *The Sunday Times* for 27 years, from 1944 as the paper's Deputy City Editor and from 1961 to 1971 as its economics columnist. He was also, from 1944 to 1961, Economics Adviser to Kemsley Newspapers. George Leopold Schwartz was born in 1891. He went to St Paul's Training College, Cheltenham and became an LCC teacher just before the 1914-18 War. It was at this time that he became interested in economic problems. He attended lectures at the London School of Economics.

MR STEPHEN MURRAY

Mr Stephen Murray, the actor, who has died, aged 70, had an uncommonly diverse experience in the classical theatre, as well as in television and radio. Always an intellectual player, lean and intense, he was highly strung with a searching sensibility. In his early days, he worked for the Birmingham Repertory Theatre, and at that time the fortunes of *The Bankers' Magazine* were running low. The war years had seen a marked fall in circulation. A strong personality was needed to make the magazine recover lost ground. This Schwartz provided in full measure. When he ceased to be editor in 1954, its circulation had risen to the highest level for a generation.

University news

Grant for research into food technology over five years. The Science and Technology Research Council has awarded a grant of £60,000 for a five-year research project into food technology.

Archaeology Canterbury as a ghost town

Recent excavations in Canterbury have suggested that the city was effectively abandoned after the end of the Roman period, and that a ruined "ghost town" was resettled in the Dark Ages. This new town became the ecclesiastical city of St Augustine, and eventually the seat of the Primate of All England. Large-scale redevelopment within the ancient city between 1978 and last autumn allowed a wide area, known as the Marlowe group of sites, to be examined by archaeologists from the Canterbury Archaeological Trust. "There have been the largest excavations ever carried out in Canterbury", Mr Tim Tatton-Brown, the trust's director, said. "The results have been achieved, particularly for the early Saxon period in the seventh century AD, have been of very great importance."

WALTER REISCH

Walter Reisch, a prolific writer for the cinema and an occasional director, has died in the United States aged 79. He was born in Vienna on May 23, 1903, entered the film industry as an assistant to Alexander Korda, and wrote his first screenplay while still in his teens. In 1927 he switched to the German cinema, but went back to Austria when the Nazis came to power six years later. In the mid-1930s he worked for several times in Britain before deciding to pursue his career in Hollywood.

REV MURDO MACRITCHIE

The Rev Murdo MacRitchie, a former Moderator of the General Assembly of the Free Church of Scotland and Minister of Stornoway Free Church for the past 17 years, has died after a long illness. He was 63. He became the first minister of the Detroit Free Church in 1952 and remained there for 15 years before being called to Stornoway Free Church. He was Moderator of the General Assembly in 1979, during which year he made a six week tour of the Free Church Mission Fields in South Africa.

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CYPRUS

There is high inflation, flight of capital, no central banking system or monetary management programme, lack of development aid, deteriorating balance of trade, foreign debts and low productivity. Saddled with all these problems, the economy of the Turkish-controlled area of Cyprus started 1983 on a gloomy note, after failing completely to reach the goals of its first five-year plan (1977-1982). Its economy ground to a halt in 1981 and achieved a meagre 0.9 per cent growth rate last year - from the planned 7 per cent.

In the face of this stagnation, the administration of Rauf Denkash continues to drag its feet over the implementation of proposed economic stability measures, preferring instead to rely on the established system of free enterprise and placing much of the blame for the slump on the Greek-Cypriot economic embargo.

A part of the community's difficulties stem from inexperience: the "Turkish Federated State of Cyprus" was proclaimed in 1975, a year after the Turkish army intervention in Cyprus and 12 years after a provisional administration assumed the task of governing the 125,000 Turkish-Cypriot residents of the island in 1963. In 1975 lack of skilled labour was such a problem, says a government official, that "we couldn't even find people to repair lifts." Now they have lift repairmen, but they lack trained white collar workers, especially in finance. "The lack of the personnel, coupled with the

ECONOMY - THE SOUTH

Time of opportunity and uncertainty

President Spyros Kyprianou's decisive re-election in February leaves the economic policy-makers facing both opportunities and some uncertainty. With parliamentary and presidential elections out of the way, the government can now concentrate on taking long-delayed decisions with less concern for electoral considerations. But at the same time Mr Kyprianou and his ministers will be aware that the communist Akei party contributed 34 per cent of his 57 per cent majority, and it will be seeking to translate this support into a greater role in decision making.

Fears of undue communist influence on what has traditionally been a free-enterprise economy have already affected investment, both domestic and foreign. A number of foreign enterprises with a long history in Cyprus have left in recent months.

The most notable departures were those of two British banks, Grindlays and Chartered, each of which sold out all its operations to a local bank in late 1982. The reasons were not entirely political. Cyprus is certainly overbanked, making profitability of the branches marginal relative to the management resources required to run them. And Grindlays in particular was badly hit by the law of 1974 suspending payments on debts affected by the Turkish occupation of the north. Nevertheless, the departures were a blow to confidence, especially when coupled with others by, for example, Wool-

ECONOMY - THE NORTH

A gloomy start to the new year

officially only 2.6 per cent, although the real figure may be closer to 10 per cent. This has been achieved at the cost of productivity. The unwieldy civil service is a case in point: 11,000 people, many of them teachers, work for the government (the second largest employer); half of them, says Given, are superfluous. And 50 per cent of the 17,760 lira 1983 budget will go on their salaries.

The wide disparity between the two economies of Cyprus is especially frustrating for the Turkish-Cypriots. They feel that economic stability has been achieved in the south through development aid which was not shared with the Turkish community and for which, as an unrecognized state, they cannot apply. Aid is badly needed to finance such projects as citrus irrigation (\$31.5m) and the purchase of the own commercial airplane (\$10m).

Implementation of a 30m ECU (€19m) EEC protocol to Cyprus for 1979-1982 was delayed when the Greek-Cypriots protested that no aid should go to the Turkish community. In the end most of the aid went to the south, Turkish-Cypriot Foreign Minis-

ter Kenen Atakol recently went to Brussels, where he told EEC officials that a planned second aid package should go to both sides or to neither.

Turkey has agreed to undertake as much of the development programmes as it can afford, including the first phase of the Morphou irrigation project (which will be completed in June). And it continues to fund more than half of the budget of the Turkish-Cypriot government. This is greatly reduced from 1963, when it provided 90 per cent of the budget, but instead of becoming more self-sufficient, the Turkish-Cypriots are becoming more dependent: from funding a high of 53 per cent of their own budget in 1979, they have sagged to a projected 37 per cent in 1983.

Total aid in 1982 amounted to 6,399m lira, most of which Turkey provided. Because of the need to import nearly all consumer goods, the 1982 trade deficit was \$80.3m; it was partly offset by tourism revenues, leaving a balance of payments deficit of \$42.8m.

Twenty per cent of the gdp and 70 per cent of the export revenue stem from agriculture, with citrus providing the lion's



share. In 1981 160,000 tons were produced, of which 60 per cent was exported (much of it to the UK). Two thirds of the citrus industry is state-owned.

The second-most important source of foreign revenue, tourism, faces similar problems. The number of tourists to northern Cyprus has steadily declined in five years from 112,910 to 87,322 from Turkey. The only "positive development", according to Given, is that the number of European tourists has slowly increased.

Potential tourists face a number of difficulties just getting to northern Cyprus: because Ercan airport is not accepted by the International Air Transport Association, flights must be routed through Turkey. And Greek-Cypriots have applied extreme pressure on travel agents not to book tourists into "illegally owned" hotels (all but one hotel were Greek-Cypriot owned). None the less, gross receipts (3,900m lira) outstripped all exports last year.

Perhaps the most serious stumbling block to growth is the lack of foreign and domestic capital for investment. Domestic savings are far below expectations (3 per cent of the gdp in 1982) because of an archaic island law limiting interest on savings to 9 per cent with inflation at 33 per cent and Turkish banks offering rates six times as high, the savings end up in Turkey, effectively "recycling" the aid from Turkey as soon as it arrives and draining the banks. With no

Nevertheless, the government has stated that it is willing to step in to finance investment opportunities ignored by the private sector.

This may make it difficult to control the budget deficit, planned to reach a record Cyprus £96m this year. The deficit has been blamed by many local economists - including those from the central bank - for stimulating inflation and the trade deficit.

The new five-year plan calls for a steadily declining fiscal deficit. But it is difficult to see how this can be achieved, especially if the government has to take a larger share of capital investment.

Expenditure on major irrigation schemes to modernize the agricultural sector will peak in the mid-1980s. Spending on refugees continues at a high level, and debt-servicing will make greater demands on resources. Unless these conflicting demands are reconciled, the government's deficit may prove a serious brake to what has been - under the circumstances - a remarkable economic success story.

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threatened by spiralling wage increases and inflation, widening budget deficits and a potentially disastrous growth in the payments deficit. That was in spite of rising revenues from tourism and other invisibles.

A stabilization programme with the 1979-81 plan brought the economy under control, but at the cost of a recession that badly hit the construction industry in particular. Inflation was brought down from a 13.5 per cent peak in 1980 to 10.8 per cent, and the trade deficit was reduced, but at the cost of a drop in gross domestic product (gdp) growth to only 2.4 per cent in 1981.

Last year - the first under the new plan - showed mixed results. Gdp growth accelerated to 4 per cent in real terms. Inflation was down further to about 6.5 per cent, while unemployment was held to below 3 per cent. But capital investment was again disappointing, boding ill for the competitiveness of Cypriot exports in the future.

That problem can only grow unless a way can be found to stimulate investment. Exports boomed in the mid-1970s, as Cyprus found ready markets for its manufacturers in the oil-fueled economies of the Middle East. Many of these exports were labour-intensive low-technology products, such as clothing and footwear, which now face severe competition from low-cost producers in the Far East.

At the same time, Cyprus has become vulnerable to its dependence on Arab markets, which now account for almost half of its total exports. This has aroused a lot of concern locally, especially after problems in obtaining payments from Libya, one of Cyprus's largest markets.

In spite of booming exports, the trade deficit continues to grow and reached a record

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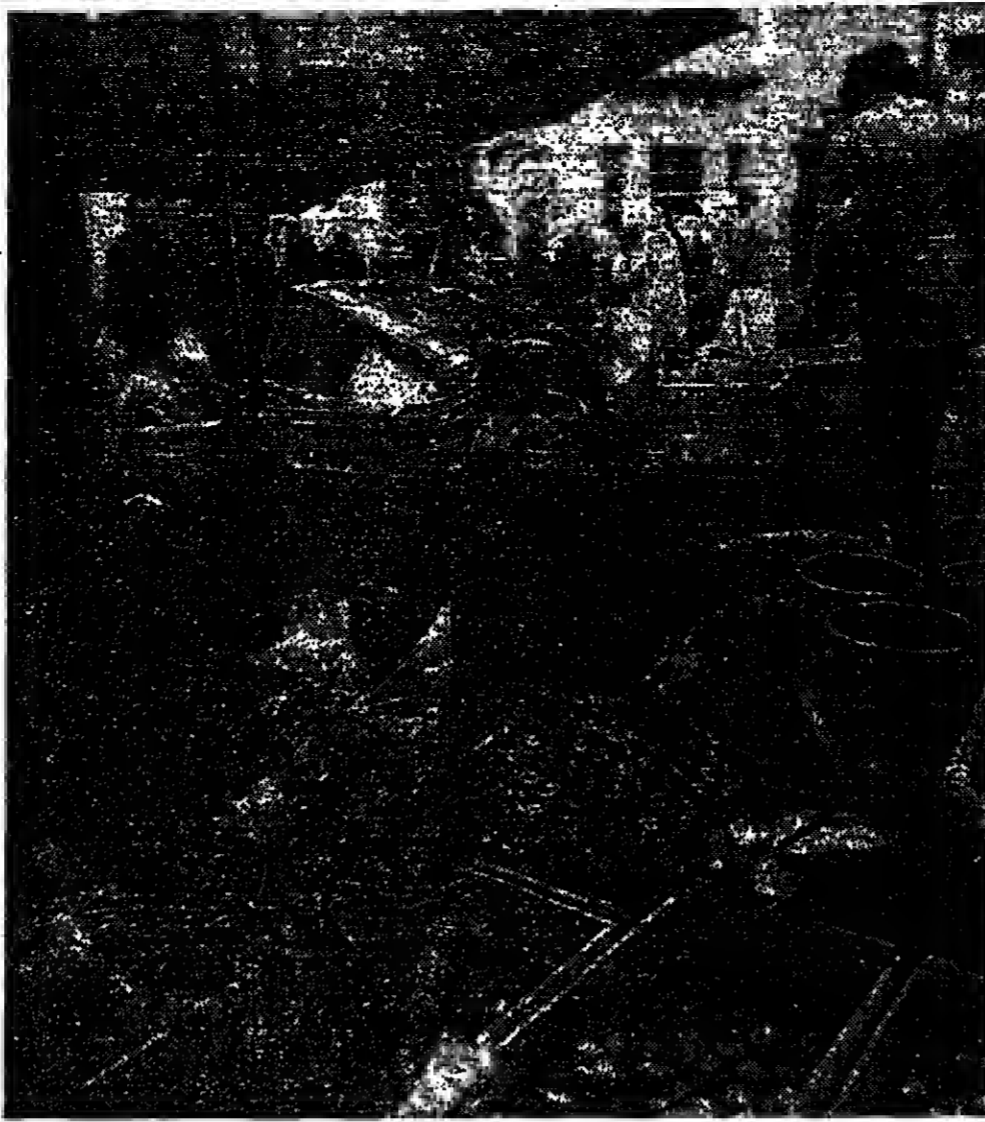
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حکومت القبرص

TOURISM - THE NORTH

Crossroads of eight civilizations

Getting there is half the battle, but in spite of the problems - or perhaps because of them - it is well worth the extra effort to visit the still unspoiled countryside and beaches of northern Cyprus. For it is these very difficulties that have kept the tiny Turkish-Cypriot community from the onslaught of people, pollution and progress that its natural beauty, historic sites, and Mediterranean setting would otherwise have invited.



Fruit, vegetables, flowers - a typical market scene in everyday Cyprus

Kyrenia's elegant Dome Hotel (once known as the "Doom" because of the oomber of "ancient Britons" who stayed there) you can watch the fishermen in rowing boats setting their nets at night. In the evening there are discos, casinos, and, of course, eating.

but its people. The Turkish sense of hospitality is legend, and there still persists the notion that a visitor is not an intruder but a guest. Waiters, bartenders, and restaurant owners are eager to start up a conversation (English is widely spoken) and it is not uncommon in such cases, after you have downed a strong Turkish coffee and read your future in the empty cup, for the cafe owner to consider you a "friend" and refuse payment.

TOURISM - THE SOUTH

New Towns for old

No matter how thick the velvet glove, being pushed around by authority still hurts. And the Greek Cypriots clinging grimly on to the part of the island left after the invasion by Turkish troops in 1974 are in no mood to be nudged, even by their own people.

Large operators such as Blue Sky Holidays, Cadogan Travel, Exchange Travel, Flair, Olympic, Sovereign and Sunpic Holidays do offer packages. But most people tend to travel with the smaller specialists, such as Aspro, Cypriot, Cyprus Travel Club and Troodos Travel.

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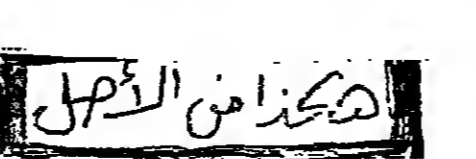
SOLUTION OF CYPRUS PROBLEM LONG OVERDUE

Cyprus is an historic island with one of the most ancient civilizations of the world. However, her geographic position in the Eastern Mediterranean, at the crossroads of three continents, has made her very vulnerable in the sense that she was frequently the victim of foreign invasion and occupation.

communal talks mainly for the purpose of misleading world opinion while at the same time proceeding with the consolidation of the facts accomplished by the invasion. While the intercommunal talks were taking place, new steps were taken by the Turkish side that went against the agreed basis of the talks.

Cyprus. The Cyprus Government is prepared to agree to the stationing in the Republic of Cyprus, for as long as necessary, of an international U.N. Police Force which would supervise a united Greek Cypriot-Turkish Cypriot Police Force composed in accordance with the population ratio.

Conference, Inter alia, reiterated its full solidarity with and support for the people and Government of the Republic of Cyprus and reaffirmed its respect for that country's independence, sovereignty, territorial integrity, unity and non-alignment.



MARKET REPORT by Andrew Cornelius

BTR attempts dawn raid

ACCOUNT DAY: Dealings began, March 21. Dealings end, April 8. Contango Day, April 11. Settlement Day, April 12.

profit taking on the eve of the financial year and special situations.

Brixton Estates is expected to launch a counter bid for Percy Bilton, the building company, which is the subject of a £107m takeover bid from Trust Securities. The first closing date for the trust's shares is April 20. Bilton has dismissed the approach as totally unacceptable, but might bid for Brixton more difficult to head off. Last night, Brixton did not deny its interest in Bilton.

Gifts were bought up by the firm tone in sterling, and the prime rate cut by Wachovia Bank in North Carolina. This bank, which is not normally a foreigner in the market, moves, cropped its prime rate from 10.5 per cent to 10 per cent.

Even before this markets were looking for lower interest rates in the United States, and speculating that Fed funds could drop to 8.75 per cent, from the recent levels of about 10 per cent caused by Treasury settlements.

Long gilts closed up a point, medium were a half better, and shorts were up a quarter. But volume was light. Gold mining shares figured strongly among the larger rises of the day, after the firm rise of the gold price - up \$15.50 at \$430. That rise was partly to compensate for the lower dollar, and also based technical factors after the long weekend holiday.

West Rand Consolidated was up 44p at 56c, Western Areas rose 23p at 38p, Randburg was up 16p at 49c, East, and Dagsa gained 16p at 28p, and Leslie rose 14p at 28p.

The Dowable consortium, which is bidding £24m for Cope Allman International, is stuck

ing by its letter to Cope shareholders despite accusations from their board of being "selective" and "misleading".

Prepare for some more stock-market action from Mr Robert Maxwell, chairman, of the British Printing & Communications Corporation. He is on the lookout for a video manufacturing business to add to the BPC's stable and says that he will also increase BPC's 12 per cent stake in cable television company, SelectV, where he is also chairman, if he gets the chance. However he is saying nothing about speculation that he is planning a reverse takeover of Hollis by his privately-owned company Pergamon Press.

In particular Dowable, led by Mr David Wickens, the British Car Auctions' chairman, says Cope's directors' salaries went up by 38 per cent last year if

pensions and other emoluments are topped up. Cope says the true figure is an increase of 6.5 per cent last year and 8.8 per cent the year before.

Shares in Satchel & Satchel, the advertising agency were a strong market after some bullish news from the company's annual meeting in London. Shareholders attending the meeting were told that the results of a streamlined management structure are beginning to show through and that the growing world market for advertising expenditures mean that prospects for 1982 are very good. Muirhead, the electricals company were down by 5p to 137p on market fears that Tyke the US stakeholder plans to sell its stake in Muirhead.

P. Brotherhood's shares were also down by 14p to 13p on the agreed bid from Thermo Electronics. London & Liverpool Trust was another company with shares on the slide by 18p to 412p with investors profit taking after the recent large rises in the company's price brought about by the £8m bid for exclusive rights to screen soccer matches over the next two seasons.

RECENT ISSUES table with columns for Issue Name, Price, and % Change.

BRITISH FUNDS table with columns for Fund Name, Price, and % Change.

MEDIMUMS table with columns for Fund Name, Price, and % Change.

LOCAL AUTHORITIES table with columns for Authority Name, Price, and % Change.

BANKS AND DISCOUNTS table with columns for Bank Name, Price, and % Change.

BREWERS AND DISTILLERS table with columns for Company Name, Price, and % Change.

COMMERCIAL AND INDUSTRIAL table with columns for Company Name, Price, and % Change.

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Large advertisement for BELL'S SCOTCH WHISKY with a bottle image and promotional text.

Michael Prest on Opec's debate on developing member countries' economies

The Gulf looks to investment

APPOINTMENTS

New chief for Lucas finance

Mr R. Brown has become finance director and treasurer of Lucas Industries in succession to Mr J. W. Shield who is retiring.

Mr David Blackett and Mr Peter Sullivan have joined the board of N. M. Rothschild & Sons.

Mr Brandon Gough has been appointed as senior partner of Coopers & Lybrand and chairman of the firm's executive committee.

The following have been admitted as partners of Coopers & Lybrand: Mr Phillip Collins, Mr Peter J. Cooke, Mr Roger Emerson, Mr Richard North, Mr Richard H. Phillips, Mr Glyndwr D. Thomas, Mr Clive W. Talloch (all in London); Ms Jane Gilbert (Birmingham); Mr Roger Angus (Bournemouth); Mr Christopher J. Phoenix (Edinburgh); Mr Gordon Jack (Glasgow); Mr Jonathan P. Zigmund (Leeds); Mr Richard A. Wade (Leicester); Mr Russell B. C. Beeson (Maidstone); and Mr Philip Wilkinson (Northampton). Messrs Austin Bendall, John A. Hammond, David Liggins, Richard J. Platford, and Francis J. Floeden have been made directors of Coopers & Lybrand Associates in London and Mr Victor L. Luck becomes a director in Leeds.

Mr C. David Wathen, the planning director of Burnet & Hallamshire Holdings, has been appointed chairman of the Property Division, Anglo Overseas Construction Corporation and chairman of the Oil Division, UK Petroleum Products Holdings.

In addition Burnet & Hallamshire's mining division has made the following board appointments within the division's parent company, The Mining Investment Corporation. Mr James I.M. Pitchford is appointed joint managing director (Mining Operations), Mr John R.Hall is appointed director responsible for Mining Europe, Mr Michael J. H. Hall is appointed director, Mining International and Mr Kenneth J. Daff is appointed director responsible for the Group's Reclaimed Fu Operations.

Last year the Organization of Petroleum Exporting Countries incurred its first current account deficit in a decade, and the probability is that Opec's 13 members will collectively import more than they export again this year. So it is understandable that recycling petrodollar mountains has come in recent months to seem the problem of a bygone age.

But there is still an Opec investment problem, and it has revived a long standing debate among oil exporters, particularly in the Gulf. The debate revolves around how the oil and financial resources of Gulf states with large reserves of both kinds and small populations can best be deployed to develop their economies. The decline in oil prices and production has given a fresh edge to the argument about depletion rates, encouraging those who preferred lower output and more stable revenue.

But equally important when Opec members are withdrawing cash balances from the banking system is the second debate over the merits of return or yield on external assets and liquidity. These two sets of arguments are not merely technical in conservative Moslem countries they imply political differences about the pace and nature of development. For the world as a whole they are about the supply and cost of energy.

The tables show the recent history of oil producers' revenues. Gross revenues accruing to the Gulf exporters fell by almost \$50,000m in 1982 to \$126,800m, and will decline sharply again this year on any reasonable assumption about prices and production. The figure of \$103,350m calculated here assumes that the price and production quotas agreed at the last Opec meeting will hold.

For the immediate future, at least, the Gulf countries are the ones relevant to the discussion because they account for all the surplus - indeed, in a sense more than all the surplus since other Opec members run deficits - and they have choices about how to deploy resources. Other less fortunate Opec members mainly need to produce as much oil as possible at the highest price.

After running up an investable surplus of \$68,000m in 1981, which came after a record

Table: Deployment of oil producers' surpluses (\$000m). Columns: 1981, 1982(e), Q1, Q2, Q3, Q4(b). Rows: United States, Bank deposits, Treasury bonds & notes, Government stocks, Other portfolio, Other, Bank deposits in other industrial countries, Other investment, IMF & IBRD (C), Loans to developing countries, Total identified residual, Unidentified residual, Total cash surplus.

Source: Bank of England Quarterly Bulletin (a) Opec plus Bahrain, Brunei, Oman, and Trinidad and Tobago; (b) Provisional; (c) Saudi Arabia has since agreed to contribute to the General Arrangements to Borrow.

surplus of more than \$100,000m in 1979, oil producers collectively suffered a deficit estimated at \$1,500,000m last year. But the bigger and more populous Opec states, the "high absorbers" in the jargon, have actually run deficits totalling about \$60,000m in the past two years. Some oil producers' difficulties therefore antedate the price collapse, although of course they have since deteriorated.

One crucial aspect of that deterioration is how assets have become more and more concentrated in the hands of the "low absorbers". Superficially the cumulative financial surplus of oil producers since 1973 is easily more than \$400,000m. But recent heavy current account deficits have cut the high absorbers' cumulative surplus to almost zero. In other words, the \$400,000m is controlled by the Gulf states.

But while revenues have fallen and the concentration of assets has grown, import bills have continued to rise. Mr Roger Azar, who runs a private investment company in Paris for Arabs, has estimated that total Opec revenues this year will be \$135,000m, a drop of 14 per cent from 1982. But Opec expenditure will grow by 7 per cent - admittedly half the rate of the previous year - to \$278,000m.

Most of this substantial potential deficit will be incurred by Opec members outside the Gulf. Kuwait, the United Arab Emirates and Qatar should run small surpluses. The exception, however, is likely to be Saudi Arabia. As the table shows, the kingdom's policy of halving output to support the oil market has also saved earnings: it is possible that Saudi Arabia will have a deficit of \$7,000m this year after allowing for outflows of around \$80,000m.

Nevertheless, Saudi Arabia at least has the luxury of choice over how to fund its deficit. Unlike poorer Opec members, it can afford to draw on reserves, slow down expenditure or even just run a modest temporary deficit. Yet the very act of choosing poses problems. Withdrawal of reserves is one example. Opec as a whole

started to draw on bank balances early last year. There are wide discrepancies in the figures because identifying the origin and destination of funds internationally is hard, the more so if they belong to secretive Arab governments. But a simple comparison drawn from Bank of England statistics suggests that Opec changed from being a net depositor of \$2,100m in 1981 (and the real amount was certainly more) to taking out a net \$3,700m.

At the same time, however, other kinds of investment have been made, albeit at a slower pace. Investment in British government securities was reduced last year, but United States Treasury bonds and notes still proved attractive, even if the quantities bought were smaller. A significant change was in other portfolio invest-

Table: Change in oil revenues (\$000m). Columns: 1981, 1982, 1983 (early est), 1983 (new est). Rows: Saudi Arabia, Iran, Iraq, Kuwait, UAE, Qatar, TOTAL.

Source: based on calculations by Petroleum Intelligence Weekly.

ment - chiefly equities - which fell noticeable in the final quarter.

In effect therefore, net new Opec investment has halted as liquid assets have been sold or withdrawn. Some countries may be tempted to reverse previous practice and not reinvest interest or securities that mature. Mr Azar reckons that investment income on accumulated Gulf state assets could exceed oil revenues this year.

Kuwait, for example, has external assets of some \$40,000m and Saudi Arabia holds about four times as much. If one assumes that roughly \$110,000m of Saudi investments are public funds and that a third of that amount is liquid, a relatively humble average return of 7 per cent would produce sufficient income to cover the current account deficit.

So it would seem that the advocates of liquidity have been vindicated. After piling up huge bank balances in the mid-1970s, oil producers tended to switch more investment into longer term assets.

The irony is that while a political emphasis on liquidity is becoming more attractive in the Gulf, the value of longer term assets is rising. Falling interest rates pushed up the value of Opec's \$40,000m in United States and British government securities last year so that the total return could be 20 per cent. Capital gains were also made on stock markets where prices rose by as much as 50 per cent.

By the same token, income from bank deposits must have declined.

But the most likely outcome of the recent traumatic Opec experience will be a more powerful lobby for diversification of revenues. Gulf oil producers do not want to be at the mercy of either oil prices or foreign investments. They thought Opec solved the first problem, but it created the second. So the chances are that any slowdown in physical economic development will be a passing measure to ease current pressure.

If this is the solution to the Opec investment debate it implies that the day on which the crucial marginal oil suppliers can afford to pump less crude has drawn closer. And lower depletion rates mean higher world energy costs.

Economic notebook

Dubious morality of owning your home

Like motherhood and royalty, we have been brought up to believe in the virtues of home ownership. The life cycle of the family is dominated by it. We scrimp and save for the downpayment on our house saddle ourselves with mortgage commitments which all too often dictate our spending according to the vagaries of interest rates. There are millions of people who are slaves to their mortgages and whose work arrangements are subservient to the monthly mortgage repayment.

One of the first principals of finance (and commonsense, too) is not to hold all your eggs in one basket. The individual should diversify his assets so that risks are widely spread. Apart from some bank deposits, most of us invest all our wealth in the house in which we live - just the opposite of what commonsense suggests. We do not have to look very far to explain our unreasonable behaviour. Because of mortgage relief, home ownership is the most effective tax shield available to us and naturally we exploit it. It is the tax system that encourages us to place all our eggs in one basket and leaves us exposed to the risks of house price fluctuations.

Mortgage relief raises the demand for houses and thus artificially increases their price. This elementary implication of the laws of supply and demand in turn implies that the subsidization of home ownership may be self-defeating. The more inelastic the supply of housing, the greater the increase in house prices. We therefore cannot take for granted that mortgage relief is achieving its intended objective of increasing home ownership, however dubious this objective may be. It may merely be raising house prices rather than increasing the number of houses.

Moreover, home ownership incentives tend to reduce labour mobility because they reduce the vigor of the private rental market. It is argued that rent control legislation has killed off the private rental market from the supply side. It is forgotten that markets can also be killed off from the

demand side. If we create high incentives to own homes rather than to rent them, the private rental market will contract (and has contracted) from the demand side. One of the virtues of rental is that it enhances mobility. It is easier to exchange leases than to buy and sell houses.

This brings me to my main suggestion: that subsidies of home ownership be abolished. Under such circumstances people would not mind whether they rented a house or owned one. Market forces would ensure that rental rates would equal mortgage cost plus house price changes. For personal reasons some of us would choose to own rather than to rent, but the costs would be the same as the benefits. If mortgage relief were abolished and the Rent Act appropriately reformed, the face of the British housing market would be revolutionized. The obsession with owner occupation would be transformed for the better.

At the same time public sector housing should be denationalized so that a genuinely integrated and competitive market in accommodation can develop.

Until the last Budget, it was my impression that the Government was pursuing such a policy. The policy of council house sales plus the limitations on building were major steps in that direction. Rent Act reforms went some limited way to revive the private rental market from the supply side.

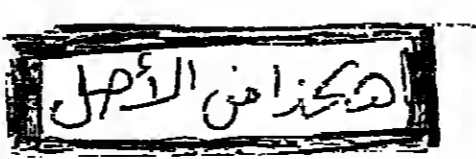
In the meanwhile, although mortgage relief was not abolished it was allowed to wither away with inflation and looked as though it was going to die a silent death.

In the Budget the ceiling on mortgage relief was raised by 20 per cent. Maybe Mrs Thatcher has not really developed a sensible housing policy after all. Market economics do not always mix.

Michael Beenstock

The author is Professor of Finance Investment at the City University Business School

Large financial table with multiple columns: High, Low, Bid, Offer, Yield. Includes sections for Authorized Unit Trusts, Authorized Units & Insurance Funds, and Insurance Bonds and Funds. Lists various investment products and their performance metrics.



Boniek and the men from Lodz are Poles apart

Turin (Italy) Renter - The Italian champions Juventus have no illusions about the size of the task they face against Poland's Widzew Lodz in the first leg of the semi final of the European Cup today.



Boniek: seeking his form

The Poles began the competition as tank outsiders but proved their worth when they reached the last four at the expense of Liverpool, the three-time champions.

One Juventus player knows the Poles better than anybody. Zbigniew Boniek, the flame-haired World Cup striker. He left Lodz at the end of last season to join a case of the increasing size of Italy's World Cup winning team.

For Lodz, it will be an equally decisive test, as the team strives to make the trophy to eastern Europe for the first time.

San Sebastian (Reuter) - Between them, Spain and West Germany have provided nine winners in the 27-year history of the European Cup. But tonight Real Madrid, champions for the first five years of the competition (1956-60) as well as in 1966, and Bayern Munich (1974-76) are mere outsiders as Real Sociedad and Hamburg carry the hopes of their nations in the first-leg semi-final here.

Little respite from general malaise at Highfield Road

The home team continued to look marginally the more purposeful however and crossed from the right by Whiston and Francis offered some respite from the general malaise as blue shirts pressed to red and vice-versa with striking accuracy.

Coventry began the second half with more purpose as Francis, now a more portly figure than in his prime, showed he still could find the flash of speed to beat his skill.

Forest took some time to recover their equilibrium and it was almost 20 minutes before they found their first shot, a tame effort which did not trouble Sealey.

Real are currently languishing in seventh place in the Spanish first division. But their confidence received a terrific boost at the weekend when they beat Barcelona 1-0 and that was without the inspiration of their third, Jesus Zamora, who is expected to return against the West Germans after injury.

Bohemians off form

Prague, April 5 - Bohemians age, bood off the pitch by their 10th loss last Sunday, were seriously conserving their strength for the UEFA Cup semi-final first leg against Anderlecht of Belgium tomorrow.

Today's fixtures

7.30 unless stated. Real Sociedad v Hamburg (7.0) Juventus v Widzew Lodz (7.0) Cup Winners' Cup Semi-final, first leg Aberdeen v Waterford (8.0) Austria Vienna v Real Madrid (8.30) UEFA Cup Semi-final, first leg Borussia Dortmund v Eintracht Frankfurt (8.0) Borussia Dortmund v Eintracht Frankfurt (8.0)

Zamora the inspiration

Real are currently languishing in seventh place in the Spanish first division. But their confidence received a terrific boost at the weekend when they beat Barcelona 1-0 and that was without the inspiration of their third, Jesus Zamora, who is expected to return against the West Germans after injury.

Bohemians off form

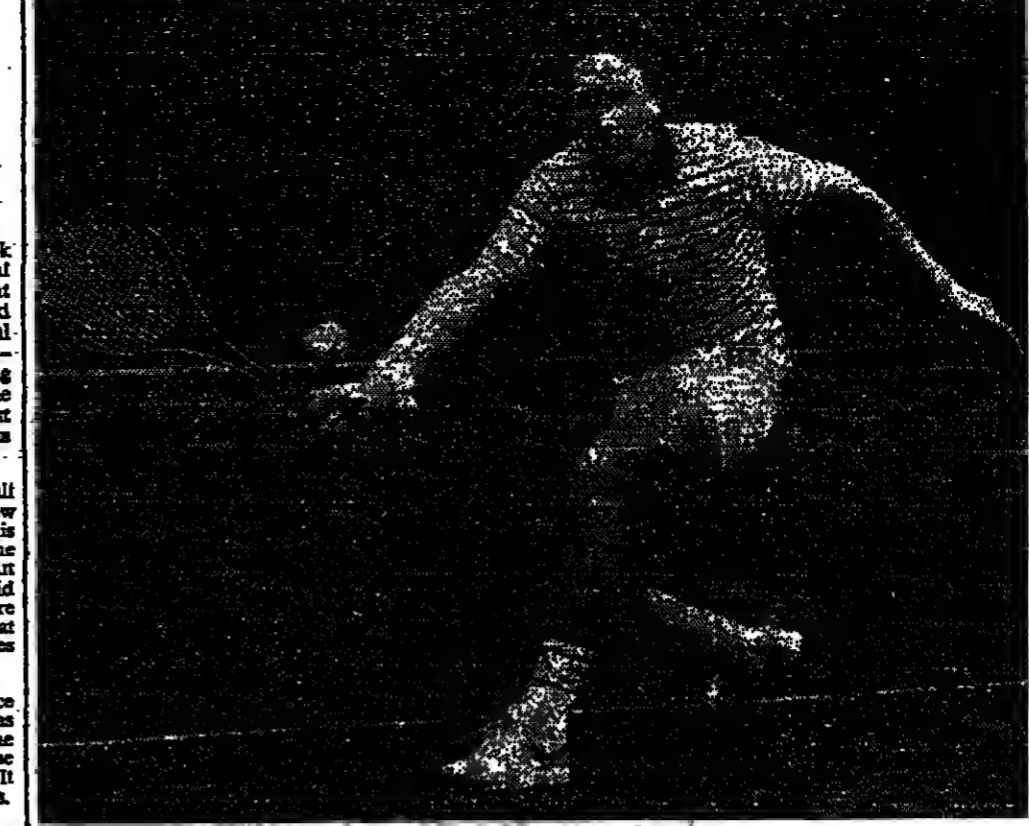
Prague, April 5 - Bohemians age, bood off the pitch by their 10th loss last Sunday, were seriously conserving their strength for the UEFA Cup semi-final first leg against Anderlecht of Belgium tomorrow.

Today's fixtures

7.30 unless stated. Real Sociedad v Hamburg (7.0) Juventus v Widzew Lodz (7.0) Cup Winners' Cup Semi-final, first leg Aberdeen v Waterford (8.0) Austria Vienna v Real Madrid (8.30) UEFA Cup Semi-final, first leg Borussia Dortmund v Eintracht Frankfurt (8.0) Borussia Dortmund v Eintracht Frankfurt (8.0)

Zamora the inspiration

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Goodall of Yorkshire: second round loser

Wilander tests the wisdom of Solomon Top seed unable to recover

Mats Wilander was just another customer in the public snooker during the Portuguese Open championships yesterday. Nobody took any notice. He could have been part of the furniture. That says much about Wilander's self-effacing manner, about his status (especially a celebrity only within the tennis world) and about the equally unappreciated nature of the citizens of Lisbon and its environs.

Wilander would not be surprised if he were to be named as the first round match with Harold Solomon today, Solomon, aged 30, is trying to regain the peaks of his youth by playing three tournaments European clay. He did not need a first round match with Wilander.

Mrs Cawley on form

(Agents) - In South Carolina, Evonne Cawley, of Australia, beat Jenny Kimchi, of the United States, 6-3, 5-7, 6-1 in the first round of a \$300,000 women's tournament. It was her second win in three tournaments this year.

Miss Brown and Miss Gomer join Elizabeth Jones (Hampshire) and Shelley Walpole (Sussex) in the squad which challenges the United States for this year's Maureen Connolly Trophy.

Alauddin disqualified from British Open

Geoff Hunt, whose name became synonymous with the British Open when he won a record eighth title, arrived at the event escorted by a police car and told to get out of the country.

Stewart's Rocket

Tom Stewart had become accustomed to the sweet smell of success since he revived the Dundee Rockets three years ago. But, after Glasgow's defeat at home to Murrayfield in the first leg of the Scottish championship final he is prepared to create quite a stink.

Gavaskar makes most of a life of ease

The Indian opener, who had not made more than 32, played a fine innings, getting away to a sparkling start.

Becker says no

Tom Becker, the coach of the basketball championship winners, Sunderland, has turned down an offer to join Leicester. Instead, the American is ready to join the struggling Manchester club.

Surrey firmly in the black

Surrey have joined the small group of counties who made a profit in 1982. They made £5,374, helped by a £12,000 winner's cheque for defeating Warwickshire to last September's Natwest Trophy final.

Brookes's winning way

Russell Brookes, of Britain, won the Rothman's Circuit of Ireland motor rally for the third time when he was in the lead in Belfast yesterday.

Table with 2 columns: Player Name and Score/Details. Includes names like D. L. Haynes, A. V. Richards, and scores like 70, 108, 50.

Table with 2 columns: Athlete Name and Score/Details. Includes names like Russell Brookes, Ian Botham, and scores like 12 Tests, 1981.

